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Challenges and opportunities for sustainable agriculture in a globalised economy: an OECD perspective.

The agri-food industries in OECD countries have been undergoing significant changes in recent decades. Farming accounts for a decreasing share of the value added in the food chain and for employment. Government intervention in the agricultural sector, while gradually decreasing over time, remains high. Despite often significant border measures, competitive pressures are increasing. There is a growing public demand in OECD countries that the agricultural sector not only produces sufficient food and fibre, but that production methods pay more attention to respect for the environment, animal welfare and food safety. Although agriculture accounts for a very small share of the economy, it remains the major user of land and water resources and thus has a significant impact on land use patterns, soil quality, water use and pollution, biodiversity and landscapes. The main policy challenge is to adapt policies that will contribute to ensuring the sustainability of agriculture while reducing distortions in resource use within countries and trade among countries. There is still strong resistance to trade policy reform in many OECD and non-OECD countries - as witnessed by the recent breakdown of the Doha negotiations - but this should not hinder the opportunity to make innovative domestic reforms. The work in the OECD is contributing to the process by analysing the implications of reforming policies that are more effective and efficient at achieving sustainable agriculture.